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By Brady Dennis

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Network News

PROFILE X

SELLERSVILLE, PA. - The robo-signer lives on a quiet street in this small town an hour's drive northwest of Philadelphia.

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His modest two-story house, for which he paid \$118,000, sits on a corner lot just down the street from the local Moose Lodge and an all-night diner. A weathered Chrysler Concorde is parked in the driveway, and a Toyota Camry sits by the curb.

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Many large mortgage lenders have come to rely on a relative handful of so-called robo-signers such as Jeffrey Stephan, 41, to attest to the accuracy of thousands of home foreclosure documents across the country. These workers are not the Wall Street masterminds who created ever more complex mortgage-backed securities and fueled the subprime mortgage boom, but rather "affidavit slaves" with modest incomes and mountainous workloads.

Their actions are leading lawyers representing foreclosed homeowners to claim that lenders have no legal standing if the filings weren't reviewed and verified, and to argue that the cases should be thrown out.

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For nearly six years, Stephan - who declined to talk to a reporter - has made the daily commute south along Route 309, past cornfields and big-box stores, to an office park in Fort Washington.

From his cubicle inside a sprawling beige stucco building, Stephan works as the leader of the document execution team for GMAC Mortgage. He has signed off on as many as 10,000 foreclosures in a month, according to court documents. That's barely a minute per case, assuming he works a normal eight-hour day.

His signature indicated that the information in the cases was accurate to the best of his knowledge, and that he had signed in the presence of a notary. The problem was, that didn't always happen, according to depositions that Stephan gave in December and June for court cases involving families trying to keep their homes.

He stated that he would glance at a borrower's name, the debt owed and a few other numbers, but simply assumed most of the information in the files was correct. Stephan, who has more than a dozen people working under him, told attorneys that he had three days of training for the position and that he didn't know how the "summary judgment" affidavits he signed were used in judicial foreclosure cases.

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Stephan's admission has cast into doubt thousands of foreclosures. Financial, the nation's fourth-largest home lender and GMAC's parent company, halted evictions of homeowners this week in the 23 states that mandate a court judgment before a lender can take possession of a property.

A company spokesman this week said that the company services loans from "hundreds of lenders." Among them: government-backed mortgage giants Fannie Mae and Freddie Mac, both of which have undertaken internal reviews to figure out the scope of any potential problems. Already, lenders in states such as Maine and Florida have begun to withdraw affidavits with Stephan's signature, essentially ending a number of foreclosure cases.

The case also has prompted a broader question of how and why some of the nation's largest lenders came to rely on middle managers such as Stephan, who told attorneys that his compensation wasn't tied to the volume of documents he signed.

Stephan answered the door at his house late Tuesday wearing a T-shirt and shorts. He said only "No, thanks" before retreating inside.

Nearby, in the bowels of the Bucks County courthouse in Doylestown, Pa., the mountain of mortgage foreclosures tells a more personal story. While Stephan and other robo-signers often serve as anonymous bureaucrats foreclosing on homeowners across the country, they also are kicking out their own neighbors.

Stephan signed off on the foreclosures of a \$216,000 home over in Pipersville and a \$202,500 home on Inkberry Road in Levittown. He signed off on another for a \$183,000 house that had belonged to a couple up in Quakertown. GMAC and other lenders have foreclosed on more than a thousand homes in Bucks County since the crisis began.

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